

## **Commissioner's Directive #12**

**May 23, 1996**

**(Replaces Commissioner's Directive #12 dated November 3, 1995)**

**Disclaimer:** Commissioner's Directives are intended to provide nontechnical assistance to the general public. Every attempt is made to provide information that is consistent with the appropriate statutes, rules and court decisions. Any information that is not consistent with the law, regulation or court decisions is not binding on either the Department or the taxpayer. Therefore, the information provided herein should serve only as a foundation for further investigation and study of the current law and procedures related to the subject matter covered herein.

**Subject:      Prepayment of Sales Tax on Gasoline**

Indiana Code 6-2.5-7-1 sets forth the formula to determine the prepaid rate of gasoline per gallon of gasoline.

"Prepayment Rate" means a rate per gallon of gasoline, rounded to the nearest one-tenth of one cent (\$0.001), determined by the Department by determining the product of:

- 1) The state wide average retail price per gallon of gasoline, excluding the Indiana and Federal gasoline taxes and the Indiana Gross Retail Tax Rate, multiplied by:
  - a) The State Gross Retail rate (.05), multiplied by:
  - b) Ninety percent (90%)

Before June 10 and December 10 of each year, the Department is required to determine the prepayment rate to be used during the following six (6) month period. See Indiana Code 6-2.5-7-14. Notice of this new rate is to be sent to each refiner, terminal operator, and qualified distributor known to the department who is required to collect prepayments.

The Department has determined the average gasoline price to be \$0.75 per gallon. The prepayment rate calculated in accordance with Indiana Code 6-2.5-7-1 is \$0.034 per gallon.

The prepayment rate of sales tax per gallon of gasoline for recent periods include:

<u>Period</u>	<u>Rate Per Gallon</u>
Jan 1, 1992 to Jun 30, 1992	3.8 cents
Jul 1, 1992 to Dec 31, 1992	3.3 cents
Jan 1, 1993 to Jun 30, 1993	3.6 cents
Jul 1, 1993 to Dec 31, 1993	3.4 cents
Jan 1, 1994 to Jun 30, 1994	3.5 cents
Jul 1, 1994 to Dec 31, 1994	2.9 cents
Jan 1, 1995 to Jun 30, 1995	3.7 cents
Jul 1, 1995 to Dec 31, 1995	3.3 cents
Jan 1, 1996 to Jun 30, 1996	3.3 cents
Jul 1, 1996 to Dec 31, 1996	3.4 cents



Kenneth L. Miller  
Commissioner